

HOUSING AUTHORITY OF PATTERSON
REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
TWELVE MONTHS ENDED JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-22-06

Mike Estes, P.C.
A Professional Accounting Corporation

HOUSING AUTHORITY OF PATTERSON

REPORT ON EXAMINATION OF
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TWELVE MONTHS ENDED JUNE 30, 2005

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Independent Auditor's Report

Board of Commissioners
Housing Authority of Patterson
Patterson, Louisiana

We have audited the accompanying financial statements of the major fund of the Housing Authority of Patterson, Louisiana as of and for the year ended June 30, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Patterson, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Housing Authority of Patterson, Louisiana, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2005, on our consideration of the Housing Authority of Patterson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Patterson, Louisiana's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Patterson, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying Financial Data Schedules required by HUD are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
December 20, 2005

**Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2005**

The management of the Housing Authority of the Town of Patterson offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the Town of Patterson, P. O. Box 10, Patterson, Louisiana 70392.

Financial Highlights

- The assets of the Authority exceeded its liabilities as of June 30, 2005 by \$1,765,601 (net assets). This represents an increase of 19 percent in net assets from the previous fiscal year.
- The Authority's cash, cash equivalent, and investments balance as of June 30, 2005 was \$287,389 representing an increase of \$30,695 or 12 percent from the year ended June 30, 2004.
- The Authority had intergovernmental revenue of \$220,177 in HUD operating subsidies, \$3,020 in operating grants, and \$359,892 in capital grants for the year ended June 30, 2005.

Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's assets and liabilities at the end of the operating year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- Statement of Revenue, Expenses, and Changes in Net Assets – reports the results of activity over the course of the current year. It details the costs associated with operating the Authority and how those costs were funded. It also provides an explanation of the change in net assets from the previous operating period to the current operating period.
- The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.
- Other information in addition to the basic financial statements and accompanying notes - presents certain supplementary information regarding the Authority's electronic data submitted to HUD REAC.

Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended June 30, 2005

Our analysis of the Authority as a whole begins on this page. The most important question asked about the Authority's finances is, "Is the Authority, as a whole, better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenue, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. You can think of the Authority's net assets as the difference between what the Authority owns (assets) and what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authority's net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

Total Assets as of June 30, 2004 and 2005, respectively, were \$1,542,096 and \$1,815,283. This represents an overall 18 percent net increase of \$273,187. This change is due to an increase in capital outlays in the Capital Fund Program that exceeded depreciation.

Current Assets increased by \$7,563. Although this was only an overall 2 percent increase, cash and cash investments increased 12 percent or \$30,695, as stated on page 3. Increased operating subsidy funds accounted for about one third of the increase, while the remaining two-thirds increase was due to accrued Capital Fund Program grants received in 2005. The CFP grants fluctuate annually based on changes and the nature of the projects. All funds not received from HUD for CFP expenditures incurred by the Authority at the end of the fiscal year are recorded as grants receivable from HUD. At the 2004 fiscal year end, the Authority incurred \$20,460 in CFP expenditures for architect fees to provide plans for new roofs for all units and thus recorded this amount in accrued grants receivable from HUD.

Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended June 30, 2005

During fiscal year 2005, the Authority received payment for the accrued receivables, causing an increase in cash. However, the Authority ended the 2005 fiscal year without incurring any CFP unfunded expenditures, so accrued accounts receivables decreased to zero.

Also offsetting unrestricted cash increases was a decrease in accounts receivable from tenants. Tenants owed the Authority \$4,100 in 2004 as compared to \$985 in 2005. As reported in 2004, many tenants had been laid off due to several major and small business closings, and were not able to pay their balances in full each month. The Authority had made payment agreements with the majority of tenants, and during the 2005 fiscal year, these receivables were recovered.

Net Capital Assets increased by \$265,624. While current depreciation expenses lowered the value of net capital assets by \$94,267, the Authority invested approximately \$360,000 in capital outlays. So, the increase in net capital assets is the function of capital outlays exceeding current depreciation.

Current Liabilities decreased from \$48,556 in fiscal year ending 2004 to \$41,573 in 2005. This decrease of \$6,983 was the result of decreases in amounts outstanding at year-end in vendor accounts payable and government accounts payable for Payment in Lieu of Taxes. Although tax liability to the Town of Patterson for the current fiscal year was recorded in 2005, the Authority paid out almost twice as much during 2005 for both the 2002 and 2003 PILOT liability.

Net Assets – The difference between an organization's assets and its liabilities is its net assets. Net assets are categorized as one of three types.

1. **Invested in capital assets, net of related debt** – Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;
2. **Restricted** – net assets whose use is subject to constraints imposed by law or agreement;
3. **Unrestricted** – net assets that are neither invested in capital assets nor restricted.

Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended June 30, 2005

Housing Authority of Patterson - Net Assets

	<u>2005</u>	<u>2004</u>
Current assets	\$ 323,751	\$ 316,188
Capital assets (net)	<u>1,491,532</u>	<u>1,225,908</u>
Total assets	<u>1,815,283</u>	<u>1,542,096</u>
Current liabilities	41,573	48,556
Long-term liabilities	<u>8,109</u>	<u>7,783</u>
Total Liabilities	<u>49,682</u>	<u>56,339</u>
Invested in capital assets (net)	1,491,532	1,225,908
Unrestricted Net Assets	<u>274,069</u>	<u>259,849</u>
Total Net Assets	<u>1,765,601</u>	<u>1,485,757</u>
Total Liabilities and Net Assets	<u>\$1,815,283</u>	<u>\$1,542,096</u>

For the year ended 2005 and 2004, total revenue and capital grants was \$812,830 and \$539,891, respectively. This increase was primarily due to an increase in HUD capital grant revenues. As stated earlier, the Capital Fund Program grants and expenditures fluctuate due to changes and the nature of the programs. During 2004 the Authority received \$115,566 to complete work begun in 2003 to refurbish 15 units and to obtain architectural plans to replace roofs on all units in 2005. In 2005, the Authority received \$359,892 to complete architect plans for the new roofs, as well as plans for a new storage building and unit window replacements. Capital grants were also used to pay contractors for re-roofing all of the units, building the storage unit, repairing the main sewer lines and turnaround costs for five units. Additionally, the Authority purchased a new truck in 2005.

Operating grants were down \$17,522 or 7% due to concentration on capital outlay expenditures from the Capital Fund Program. Additionally, in 2004 the Authority received its final payment of \$16,188 in PHDEP grants as HUD eliminated the program.

Miscellaneous revenue increased \$55,055 in fiscal year 2005 because \$50,065 was received in insurance proceeds to pay for casualty losses. Two units were damaged by fire and a vehicle struck and damaged one unit. The Authority expended \$61,190 in casualty loss repairs from the insurance proceeds.

Total Operating Expenses decreased by 4% compared to 2004. This is the net result of a decrease in general and administrative expenses.

Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended June 30, 2005

General and administrative expenditures decreased by \$27,391 in 2005.

The Authority restricted its administrative spending due to the increase in capital outlay expenditures. Also offsetting the increase in administrative expenses was a reduction in tenant collection losses during 2005. Local employment conditions improved compared to 2004, which lowered the amount of bad debts written off in fiscal year 2005.

Repairs and maintenance expenditures decreased by \$242 as compared to fiscal year ending 2004. This is due to contract costs incurred in unit turnaround efforts.

Housing Authority of Patterson - Changes in Net Assets

	2005	2004
OPERATING REVENUES		
Dwelling rental	\$ 167,615	\$ 170,077
Other	9,326	11,351
Total Operating Revenues	176,941	181,428
OPERATING EXPENSES		
Administration	107,775	134,165
Utilities	86,535	91,070
Ordinary maintenance & operations	128,474	128,716
General expenses	54,745	55,746
Depreciation	94,267	81,760
Total Operating Expenses	471,796	491,457
Income (loss) from Operations	(294,855)	(310,029)
Non Operating Revenues (Expenses)		
Interest earnings	2,735	2,178
Federal grants	223,197	240,719
Insurance proceeds	50,065	0
Casualty losses – non-capitalized	(61,190)	0
Total Non-Operating Revenues (Expenses)	214,807	242,897
Income (loss) before contribution	(80,048)	(67,132)
Capital Contribution	359,892	115,566
Change in net assets	279,844	48,434
Total net assets - beginning	1,485,757	1,437,323
Total net assets - ending	\$ 1,765,601	\$ 1,485,757

Housing Authority of the Town of Patterson
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
For the Year Ended June 30, 2005

Capital Assets

Capital assets. The Housing Authority of the Town of Patterson's investment in capital assets as of June 30, 2005, amounts to \$1,491,532 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and furniture and equipment. The total increase in the Authority's investment in capital assets for the current operating year was 22 percent.

Additional capital asset purchases were only made through CFP funds as described on page 4. A new truck purchased from CFP funds increased the Authority's equipment assets at the 2005 fiscal year end.

Housing Authority of the Town of Patterson's Capital Assets

	<u>2005</u>	<u>2004</u>
Land	\$ 166,104	\$ 166,104
Buildings and improvements	1,305,574	1,055,717
Furniture and equipment	<u>19,854</u>	<u>4,087</u>
Total Capital Assets, net of depreciation	<u>\$1,491,532</u>	<u>\$1,225,908</u>

The Authority primarily acquires its assets with the proceeds from federal capital grants. There are no commitments on approved capital asset construction projects at the present time.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development,
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income,
- Mortgage offers of low interest rates with no money down as incentive for tenants to purchase new homes,
- Inflationary pressure on utility rates, supplies and other costs.

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Ms. Susan Mendoza, Executive Director, at Public Housing Authority of Patterson, Louisiana; P. O. Box 10; Patterson, LA 70392

EXHIBIT A

HOUSING AUTHORITY OF PATTERSON
ENTERPRISE FUNDS - BALANCE SHEET
JUNE 30, 2005

	<u>General</u>
ASSETS	
<i>Current assets</i>	
Cash and cash equivalents	\$ 102,909
Investments	172,288
Accounts receivable net	947
Interest receivable	740
Prepaid items and other assets	30,360
Inventory	4,315
Restricted assets – cash	12,192
Total Current Assets	<u>323,751</u>
<i>Capital Assets, net</i>	
Land	166,104
Buildings, and equipment (net)	1,325,428
Total Capital Assets, net	<u>1,491,532</u>
Total Assets	<u>\$ 1,815,283</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	\$ 9,049
Compensated absences payable	2,949
Accrued PILOT	17,383
Deposits due others	12,192
Total Current Liabilities	<u>41,573</u>
<i>Noncurrent Liabilities</i>	
Compensated absences payable	8,109
Total Liabilities	<u>49,682</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,491,532
Unrestricted	274,069
Net Assets	<u>1,765,601</u>
Total Liabilities and Net Assets	<u>\$ 1,815,283</u>

The Notes to the Financial Statements are an integral part of these statements.

EXHIBIT B

HOUSING AUTHORITY OF PATTERSON
ENTERPRISE FUNDS – STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2005

	General
OPERATING REVENUES	
Dwelling rental	\$ 167,615
Other	9,326
Total Operating Revenues	176,941
OPERATING EXPENSES	
Administration	107,775
Utilities	86,535
Ordinary maintenance & operations	128,474
General expenses	54,745
Depreciation	94,267
Total Operating Expenses	471,796
Income (loss) from Operations	(294,855)
Non Operating Revenues (Expenses)	
Interest earnings	2,735
Federal grants	223,197
Insurance proceeds	50,065
Casualty losses – non-capitalized	(61,190)
Total Non-Operating Revenues (Expenses)	214,807
Income (loss) before contribution	(80,048)
Capital Contribution	359,892
Change in net assets	279,844
Total net assets - beginning	1,485,757
Total net assets - ending	\$ 1,765,601

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF PATTERSON
ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

	<u>General</u>
CASH FLOWS FROM	
OPERATING ACTIVITIES	
Rental receipts	\$ 170,543
Other receipts	59,599
Payments to vendors	(315,671)
Payments to employees – net	<u>(130,035)</u>
Net cash provided (used) by operating activities	<u>(215,564)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Federal grants	<u>243,657</u>
Net cash provided (used) by non-capital financing activities	<u>243,657</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	(359,892)
Federal Capital Grants	<u>359,892</u>
Net cash provided (used) by capital and related financing activities	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	2,602
Purchase of investments	<u>(2,571)</u>
Net cash provided (used) by interest income net of purchases of investment	<u>31</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,124
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	<u>86,977</u>
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	<u>\$ 115,101</u>

Continued

HOUSING AUTHORITY OF PATTERSON
ENTERPRISE FUNDS – STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

	<u>General</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (294,855)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation Expense	94,267
Casualty loss	(61,190)
Provision of uncollectible accounts	(333)
Insurance proceeds	50,065
Change in assets and liabilities:	
Receivables	3,261
Due from other funds	20,460
Inventories	345
Prepaid items	(72)
Account payables	(8,007)
Accrued expenses	955
Due to other funds	(20,460)
Net cash provided (used) by operations	\$ <u>(215,564)</u>

**NONCASH INVESTING, CAPITAL
AND FINANCING ACTIVITIES**

During the past year, the Low Rent program received capital assets with a net value of \$395,278 from the Capital Fund program. Both are accounted for in the General Fund.

Concluded

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2005

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HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. *This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish.* The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Patterson, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 1426	104
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, *fiscally independent* means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Town of Patterson since the Town of Patterson appoints a voting majority of Housing Authority's governing board. The Town of Patterson is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Patterson. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Patterson.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. *The basic criteria for including a potential component unit within the reporting entity is financial accountability.* The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Funding program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

New Accounting Standards Adopted During the prior year ended June 30, 2004, the Authority adopted three new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

- Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.
- Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Ominous, an amendment of GASB Statements No. 21 and 34*.
- Statement No. 38, *Certain Financial Statement Note Disclosures*.

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

Statement No. 34 (as amended by Statement No.37) represents a very significant change in the financial reporting model used by state and local governments including special purpose governments such as the Housing Authority of Patterson. This new reporting model requires management to provide a narrative and analysis to the ordinary user called the Management's Discussion and Analysis (MD&A). This new reporting model also requires the financial statements to be presented on the entity as a whole (government-wide financial statements). The most significant changes to the financial statements are the format, classification of information and the classification of fund equity into various classes of net assets.

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as *certificates of deposit*), *repurchase agreements*, and *guaranteed investment contracts*.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. SHORT – TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. INVENTORY All purchased inventory items are valued at cost using first-in, first-out method. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenses are charged when the items are consumed.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	10 years
Buildings	20 years
Building improvements	10 years
Furniture and equipment	3 – 7 years
Computers	3 years

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

J. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS According to the Authority's policy, investments are limited to those allowed per state statute for the state's political subdivisions. Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name

Category 3 - Uncollateralized

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

At June 30, 2005 the Housing Authority has Cash equivalents, and investments totaling \$287,389 as follows:

Cash on hand	\$	130
Demand deposits		108,186
Interest-bearing demand deposits		6,785
Time deposits		172,288
Total	\$	<u>287,389</u>
Cash and cash equivalents	\$	102,909
Cash and cash equivalents – restricted		12,192
Investments		172,288
Total	\$	<u>287,389</u>

Deposits are stated at cost, which approximates fair value.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2005, the Housing Authority's carrying amount of deposits was \$287,259 and the bank balance was \$333,875. Of the bank balance, \$200,000 was covered by federal depository insurance (GASB Category 1). The remaining \$133,875 was collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name (GASB Category 2).

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2005, are as follows:

<u>Class of Receivables</u>	<u>General</u>
Local sources:	
Tenants	\$ 887
Other	60
Total	<u>\$ 947</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$98.

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Balance 06/30/04	Additions	Deletions	Balance 06/30/05
Land	\$ 166,104	\$ 0	\$ 0	\$ 166,104
Buildings	3,982,474	342,607	0	4,325,081
Furniture and equipment	30,220	17,284	0	47,504
Total	4,178,798	359,891	0	4,538,689
Less: accumulated depreciation				
Buildings	2,926,757	92,750	0	3,019,507
Furniture and equipment	26,133	1,517	0	27,650
Total	2,952,890	94,267	0	3,047,157
Fixed assets, net	\$ 1,225,908	\$ 265,624	\$ 0	\$ 1,491,532

NOTE 5 – RETIREMENT SYSTEM The Housing Authority participates in the Housing – Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one month of continuous and uninterrupted employment. Plan provisions and changes to plan contributions are determined by the Board of the Housing Authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 10% percent of each participant's basic (excludes overtime) compensation. This payment represents a 4% contribution by the employee, and a 6% contribution by the Housing Authority.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority. Normal retirement date shall be the first day of the month following the employee's 65th birthday or after 10 years of participation in the plan.

The Housing Authority's contributions were calculated using the base salary amount of \$90,332. The Housing Authority made the required contributions of \$8,549 for the year ended June 30, 2005, of which \$5,251 was paid by the Housing Authority and \$3,298 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 6 – ACCOUNTS PAYABLE The payables at June 30, 2005 are as follows:

		General
Vendors	\$	8,247
Payroll taxes & Retirement withheld		509
Other		293
Total	\$	<u>9,049</u>

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at June 30, 2005. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 8 – COMPENSATED ABSENCES At June 30, 2005, employees of the Housing Authority have accumulated and vested \$11,058 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 9 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended June 30, 2005.

	Compensated Absences
Balance, beginning	\$ 10,612
Additions	446
Deductions	0
Balance, ending	11,058
Amounts due in one year	\$ 2,949

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$583,089 to the Housing Authority, which represents approximately 72% of the Housing Authority's total revenue and capital contributions for the year.

SUPPLEMENTARY INFORMATION

EXHIBIT E(1)

HOUSING AUTHORITY OF PATTERSON
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED JUNE 30, 2005

1. The Actual Modernization Costs are as follows:

		2002 Capital Fund
Funds approved	\$	212,889
Funds expended		212,889
Excess of funds approved	\$	<u>0</u>
Funds advanced	\$	212,889
Funds expended		212,889
Excess of funds advanced	\$	<u>0</u>

2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated April 13, 2005 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

EXHIBIT E(2)

HOUSING AUTHORITY OF PATTERSON
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2005

CASH BASIS

		2003 Capital Fund		2003 Bonus Capital Fund
Funds approved	\$	165,282	\$	34,909
Funds expended		<u>159,515</u>		<u>14,469</u>
Excess of funds approved	\$	<u>5,767</u>	\$	<u>20,440</u>
Funds advanced	\$	159,515	\$	14,469
Funds expended		<u>159,515</u>		<u>14,469</u>
Excess of funds advanced	\$	<u>0</u>	\$	<u>0</u>

See accountants' report

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Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Housing Authority of Patterson
Patterson, Louisiana

We have audited the compliance of the Housing Authority of Patterson, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Housing Authority of Patterson, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Patterson, Louisiana's Management. Our responsibility is to express an opinion on the Housing Authority of Patterson, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Patterson, Louisiana's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority of Patterson, Louisiana's compliance with those requirements.

In our opinion, the Housing Authority of Patterson, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of The Housing Authority of Patterson, Louisiana is responsible for establishing and maintaining internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Patterson, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, federal awarding agencies, the Louisiana Legislative Auditor, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Mike Estes, P.C.
Fort Worth, Texas
December 20, 2005

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Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Governmental Auditing Standards*

Housing Authority of Patterson
Patterson, Louisiana

We have audited the financial statements of the major fund of the Housing Authority of Patterson, Louisiana as of and for the year ended June 30, 2005, which collectively comprise the Housing Authority of Patterson, Louisiana's, basic financial statements and have issued our report thereon dated December 20, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Patterson, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving internal control over financial reporting that we have reported to management in a separate comment that follows the Statement of Prior Audit Findings.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Patterson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the audit committee, management, federal awarding agencies, the *Louisiana Legislative Auditor*, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Mike Estes, P. C.
Fort Worth, Texas
December 20, 2005

HOUSING AUTHORITY OF PATTERSON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR PROGRAM TITLE	<u>CDFA NO.</u>	<u>PROGRAM EXPENDITURES</u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850	<u>220,177</u>
Public Housing Capital Fund	14.872	<u>362,912</u>
Total United States Department of Housing and Urban Development	\$	<u>583,089</u>
Total Expenditures of Federal Awards	\$	<u>583,089</u>

HOUSING AUTHORITY OF PATTERSON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2005

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Patterson, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

		Federal Sources
General	\$	583,089
Total	\$	583,089

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports *except for changes made to reflect amounts in accordance with generally accepted accounting principles.*

NOTE 5 – MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, "federal awards" do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

HOUSING AUTHORITY OF PATTERSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2005

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards to the financial statements.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA# 14.872 Capital Fund
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was 300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

HOUSING AUTHORITY OF PATTERSON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2005

Prior Audit Findings and Questioned Costs

Finding 04-01 – Independent Verification of Income

We reviewed eight tenant files in the prior audit. In two instances, there was no evidence that social security income was confirmed on the internet. In another instance, earned income was independently verified, but we could not recalculate the income used by the PHA to calculate tenant rent. No exceptions were noted in the current year. This finding is cleared.

Current Audit Findings

Entity-wide or program/department specific

None

HOUSING AUTHORITY OF PATTERSON
MANAGEMENT LETTER ITEMS

YEAR ENDED JUNE 30, 2005

Prior Management Letter Items

04 MI – Board Minutes

We recommended that the Board of Commissioners review unaudited financial statements no older than 60 days. This is repeated as a current item.

04-M2 – PHAS MASS

The PHA voluntary filed its MASS. We noted an error in Vacancy Days on V126. We recommended the PHA personnel re-review the MASS instructions. We noted an immaterial exception in the current year. This item is not repeated.

04-M3 – Unpaid PILOT

We recommended the PHA pay PILOT if it is unable to negotiate waivers with the taxing authorities. By the time of our report release date, the PHA had paid its June 30, 2005 accrued PILOT. This item is not repeated.

Prior Management Letter Items

05 MI – Board Minutes

The Board is the final authority for the PHA. In addition, the Executive Director, in some matters, can only be double-checked by the Board of Commissioners.

To fulfill its oversight function, the Board should review year-to-date unaudited financial statements that are at least no older than sixty days. The Board should at least review the highlights – cash and investment changes, rental income, salaries, total CFP expenditures versus advances.

We recommended this last year. The PHA claims due to the impact of Hurricane Katrina, the Board was unable to do this.

05 MI – Corrective Action Plan – Response

I am Susan Mendoza, Executive Director and designated person to answer. We will try to review current year-to-date financial statements by at least our March 2006 Board meeting.

HOUSING AUTHORITY OF PATTERSON
SCHEDULE OF AUDIT JOURNAL ENTRIES

YEAR ENDED JUNE 30, 2005

		ACCT. # FOR AUDIT PURPOSES	DR	CR	ACCT. # FOR POSTING TO PHA BOOKS
<u>Low Rent</u>					
1	Casualty losses – noncapitalized	972	7,990		N/A
	Ordinary maintenance	943		7,990	
	To reclassify check #9400 to Hebert Construction				

HOUSING AUTHORITY OF PATTERSON FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2005

PHA: LA070 FYED: 06/30/2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$102,909	\$0	\$102,909
114	Cash - Tenant Security Deposits	\$12,192	\$0	\$12,192
100	Total Cash	\$115,101	\$0	\$115,101
125	Accounts Receivable - Miscellaneous	\$60	\$0	\$60
126	Accounts Receivable - Tenants - Dwelling Rents	\$985	\$0	\$985
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-98	\$0	\$-98
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
129	Accrued Interest Receivable	\$740	\$0	\$740
120	Total Receivables, net of allowances for doubtful accounts	\$1,687	\$0	\$1,687
131	Investments - Unrestricted	\$172,288	\$0	\$172,288
142	Prepaid Expenses and Other Assets	\$30,360	\$0	\$30,360
143	Inventories	\$5,070	\$0	\$5,070
143.1	Allowance for Obsolete Inventories	\$-755	\$0	\$-755
150	Total Current Assets	\$323,751	\$0	\$323,751
161	Land	\$166,104	\$0	\$166,104
162	Buildings	\$3,297,733	\$329,518	\$3,627,251
164	Furniture, Equipment & Machinery - Administration	\$30,220	\$17,294	\$47,504
165	Leasehold Improvements	\$660,780	\$37,050	\$697,830
166	Accumulated Depreciation	\$-3,041,881	\$-5,276	\$-3,047,157
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,112,956	\$378,576	\$1,491,532
180	Total Non-Current Assets	\$1,112,956	\$378,576	\$1,491,532
190	Total Assets	\$1,436,707	\$378,576	\$1,815,283

PHA: LA070 FYED: 06/30/2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$8,247	\$0	\$8,247
321	Accrued Wage/Payroll Taxes Payable	\$509	\$0	\$509
322	Accrued Compensated Absences - Current Portion	\$2,949	\$0	\$2,949
333	Accounts Payable - Other Government	\$17,383	\$0	\$17,383
341	Tenant Security Deposits	\$12,192	\$0	\$12,192
346	Accrued Liabilities - Other	\$293	\$0	\$293
310	Total Current Liabilities	\$41,573	\$0	\$41,573
354	Accrued Compensated Absences - Non Current	\$8,109	\$0	\$8,109
350	Total Noncurrent Liabilities	\$8,109	\$0	\$8,109
300	Total Liabilities	\$49,682	\$0	\$49,682
508	Total Contributed Capital	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$1,112,956	\$378,576	\$1,491,532
511	Total Reserved Fund Balance	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$274,069	\$0	\$274,069
513	Total Equity/Net Assets	\$1,387,025	\$378,576	\$1,765,601
600	Total Liabilities and Equity/Net Assets	\$1,436,707	\$378,576	\$1,815,283

HOUSING AUTHORITY OF PATTERSON FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2005

PHA: LA070 FYED: 06/30/2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$167,615	\$0	\$167,615
704	Tenant Revenue - Other	\$4,336	\$0	\$4,336
705	Total Tenant Revenue	\$171,951	\$0	\$171,951
706	HUD PHA Operating Grants	\$220,177	\$3,020	\$223,197
706.1	Capital Grants	\$0	\$359,892	\$359,892
711	Investment Income - Unrestricted	\$2,735	\$0	\$2,735
715	Other Revenue	\$55,055	\$0	\$55,055
700	Total Revenue	\$449,918	\$362,912	\$812,830

PHA: LA070 FYED: 06/30/2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$59,989	\$0	\$59,989
912	Auditing Fees	\$6,630	\$0	\$6,630
914	Compensated Absences	\$446	\$0	\$446
915	Employee Benefit Contributions - Administrative	\$18,477	\$0	\$18,477
916	Other Operating - Administrative	\$19,213	\$3,020	\$22,233
931	Water	\$19,480	\$0	\$19,480
932	Electricity	\$6,340	\$0	\$6,340
933	Gas	\$42,668	\$0	\$42,668
936	Other Utilities Expense	\$18,047	\$0	\$18,047
941	Ordinary Maintenance and Operations - Labor	\$39,760	\$0	\$39,760
942	Ordinary Maintenance and Operations - Materials and Other	\$20,996	\$0	\$20,996
943	Ordinary Maintenance and Operations - Contract Costs	\$55,400	\$0	\$55,400
945	Employee Benefit Contributions - Ordinary Maintenance	\$12,318	\$0	\$12,318
961	Insurance Premiums	\$43,217	\$0	\$43,217
963	Payments in Lieu of Taxes	\$8,858	\$0	\$8,858
964	Bad Debt - Tenant Rents	\$2,670	\$0	\$2,670
969	Total Operating Expenses	\$374,509	\$3,020	\$377,529
970	Excess Operating Revenue over Operating Expenses	\$75,409	\$359,892	\$435,301
972	Casualty Losses - Non-Capitalized	\$61,190	\$0	\$61,190
974	Depreciation Expense	\$88,991	\$5,276	\$94,267
900	Total Expenses	\$524,690	\$8,296	\$532,986
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-74,772	\$354,616	\$279,844

PHA: LA070 FYED: 06/30/2005

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$1,066,519	\$419,238	\$1,485,757
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$395,278	\$-395,278	\$0
1120	Unit Months Available	1,258	0	1,258
1121	Number of Unit Months Leased	1,036	0	1,036